

DANSK FLYGTNINGEHJÆLPS ÅRSRAPPORT 2004

DANISH REFUGEE COUNCIL ANNUAL REPORT 2004

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1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

1.1 STATEMENT BY THE MANAGEMENT

The Executive Committee and the Management have today discussed and adopted the annual report for 2004 of the Danish Refugee Council.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act. We


consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the enterprise's assets, liabilities and financial position at 31 December 2004 as well as of the results of the enterprise's activities for the financial year ended 31 December 2004.

We recommend that the Council approve the annual report.

Copenhagen, 24 May 2005



Andreas Kamm
Secretary General

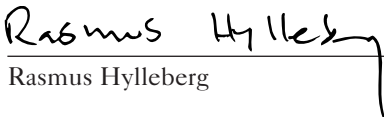


Inga Fjendbo Jensen
Director of Administration

Executive Committee of the Danish Refugee Council



Knud Larsen (Chairman)



Rasmus Hylleberg



Tine Lund Jensen



Birgit Buddegård



Bent Melchior



Torben Fischer



Birgit Philipsen

1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

1.2 AUDITORS' REPORT

To the Council of the Danish Refugee Council

We have audited the annual report of the Danish Refugee Council for the financial year 1 January – 31 December 2004, prepared in accordance with the Danish Financial Statements Act.

The annual report is the responsibility of the enterprise's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. The audit of government grants (Government Budget appropriations etc.) has been conducted in accordance with the Danish Auditor

General Act and in accordance with the instruction issued by the Danish Ministry of Refugee, Immigration and Integration Affairs dated 3 August 2002. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.


Opinion

In our opinion, the annual report gives a true and fair view of the enterprise's financial position at 31 December 2004 and of the results of its operations for the financial year 1 January – 31 December 2004 in accordance with the Danish Financial Statements Act.

Copenhagen, 24 May 2005

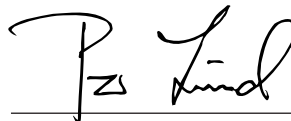
KPMG C. Jespersen

Statsautoriseret Revisionsinteressentskab



Jørgen W. Laursen

State Authorised Public Accountant



Per Lund

State Authorised Public Accountant

2. DETAILS OF THE ENTERPRISE

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Telephone: +45 33 73 50 00
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Web site: www.flygtning.dk
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Registration No.: 2069 9310
Founded: 1956
Registered office: Copenhagen, Denmark

Executive Committee:
Knud Larsen (Chairman)
Rasmus Hylleberg (Deputy Chairman)
Birgit Buddegård
Torben Fischer
Tine Lund Jensen
Bent Melchior
Birgit Philipsen

Management:
Andreas Kamm, Secretary General
Anders Maegaard, Manger Resources & Development
Inga Fjendbo Jensen, Head of Administration
Lone Tinor-Centi, Head of Volunteers' Committee (acting)
Susse Maria Holst, Head of Communications
Jørn Helder, Head of DRC Integration Department (acting)
Anne la Cour Vågen, Head of Asylum Department
Arne Vågen, Head of International Department

Auditors: KPMG C. Jespersen
Address: Borups Allé 177, P.O. Box 250, 2000 Frederiksberg, Denmark

Council meeting: The annual council meeting is to be held on 15 June 2005

3. FINANCIAL HIGHLIGHTS

The total activities of the Danish Refugee Council have developed as follows in the years 2000-2004
(Expenditure expressed in DKKm)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Collected funds					
Door-to-door collections and contributions	17	21	23	24	19
Own funds					
Integration work	40	37	30	27	24
Operation of language centres	70	76	85	80	65
Other		2	2	2	1
Donated funds					
Grants for international project work	311	391	277	261	287
Grants for other projects, funds, etc.	8	6	6	9	11
Government Budget appropriations, etc.					
All activities	37	39	35	33	30
Total activities of the Danish Refugee Council	483	572	458	435	437

Balance sheet items

Investment in property, plant and equipment	4	9	1	1	0
Total assets	168	154	151	133	190
Equity	49	40	28	21	26

Average number of employees

Headquarters in Borgergade, Copenhagen	160	145	130	126	126
Language schools	200	200	178	160	114
District employees, integration & volunteers*	65	62	78	70	52
Expatriates in international projects**	70	70	51	42	82
Local staff in international projects**	2,000	2,500	2,500	2,500	3,700
Volunteers in Denmark	1,600	2,000	2,700	3,000	3,200

As from 2004, the computation of collected funds has been changed. Comparatives for 2003 have been adjusted.

In 2004 volunteers' work in Denmark is equivalent to 712 man-years.

* Until 2002, employees in Volunteer work outside Borgergade were included in employees at the headquarter in Borgergade.

** As from 2004, the amounts for expatriates and local staff also comprise DDG.

4. MANAGEMENT'S REVIEW 2004

4.1 MAIN OBJECTIVE AND ACTIVITIES OF THE DANISH REFUGEE COUNCIL

The Danish Refugee Council is a non-profit private humanitarian enterprise, the aim of which is to protect refugees against persecution and to promote viable solutions to refugee problems on the basis of humanitarian principles and human rights both internationally and in Denmark. The vision of the Danish Refugee Council is: Give refugees a future.

The Danish Refugee Council undertakes assignments both internationally and nationally. A number of assignments are undertaken on the basis of Government appropriations. The Refugee Council and the Ministry of Refugee, Immigration and Integration Affairs together agree on the assignments to be undertaken using these appropriations.

In its activities, the Refugee Council is seeking to ensure coherence between national and international refugee work.

4.2 FINANCIAL STATEMENTS, ACTIVITIES AND RESULTS FOR 2004

The Danish Refugee Council's annual report is structured in a way that distinguishes between

- Funds collected by the Refugee Council, including funds from nationwide door-to-door collection campaigns, funds for special purposes, private and regular contributions, and funds for general purposes;
- the Refugee Council's own funds include integration work in Denmark in the form of the sale of services to local authorities and private enterprises, Danish courses and funded integration work and other income (membership fees from member organisations etc.);
- donated funds include grants for international and national project activities and pool funds;
- Government Budget appropriations finance activities according to agreement with the Government. These funds are supplemented by local authority appropriations.

The annual report comprises all the activities of the Refugee Council.

In 2004 the Refugee Council's activities outside Denmark have helped more than half a million people who have received food, clothing, temporary shelter, seeds, water supplies, as well as assistance to return to their countries of origin and to reconstruct schools. In August 2004, an operation supplying food to 140,000 persons a month was initiated in Darfur in co-operation with WFP. Apart from this, the Danish Refugee Council has concentrated particularly on developing a comprehensive regional approach in East Africa.

In Denmark, volunteers from all over the country have provided approximately 1.4 million hours, equivalent to more than 700 man-years, to help refugees get access to the

job market and participate in cultural activities, an effort which has been co-ordinated by the Danish Refugee Council. A special effort was made to assist children and young people with their homework. More than a 100 municipalities have subsidised these activities.

The Interpreter Service of the Danish Refugee Council has sold approximately 26,000 hours in 60 different languages. The three language centres have provided a total of approximately 700,000 Danish lessons to students representing 78 different nationalities. Integration activities in Denmark include an increasing number of psychosocial tasks and a broad variety of efforts to help refugees who are to begin a course of training or education or to enter the labour market. Partially funded by the EU and others, new ways have been tested of assisting refugees and immigrants to support themselves.

The Danish Refugee Council's homepage displays 12 updated profiles of refugee-producing countries. They serve as a base of information in the Refugee Board's processing of applications for asylum.

Asylum applicants were given advice at 76 large meetings held at asylum centres and in the open counselling service at the Danish Refugee Council's head office.

Over the year, approximately 1,000 persons received counselling on repatriation from the Danish Refugee Council. Of these, 267 refugees returned to their countries of origin in 2004.

23,000 pieces of information and teaching material have been distributed.

The activities of the Danish Refugee Council are expressed as expenditure. Total expenditure for 2004 amounted to DKK 437 million. The result was DKK 4.6 million, which is a DKK 12 million improvement. The improved result has been achieved through a massive effort from employees at all levels.

The 2004 financial year was characterised by a 10% increase of the international project activities compared to 2003 and a 14% reduction of the level of activity in Denmark.

As regards the international project activities, in 2004 the activities financed by donors amounted to DKK 287 million compared to the budgeted DKK 276 million. The grants received amount to a total of DKK 311 million. The Danish Refugee Council's contributions amounted to DKK 10.3 million.

To a large extent, the Danish Refugee Council has to operate under conditions resembling the free market conditions, with exposure to the risks that this involves, but without realising a yield to compensate for these. As the Danish Refugee Council is a non-profit humanitarian enterprise, most of its activities are subject to the condition that they cannot yield a profit. Therefore, unforeseen expenses or expenses in excess of what can be covered by administrative funds often have to be covered by collected funds.

4. MANAGEMENT'S REVIEW 2004

Collected funds amounted to a total of DKK 23 million. With contributions to project activities and DKK 1 million to the Danish Demining Group (DDG), the Refugee Council has been able to carry forward an amount of DKK 4 million to activities in 2005. Most of these have been allocated to projects in advance.

In Own funds, a profit of DKK 0.7 million was recognised. The Language Centres have realised a profit of DKK 0.9 million while other integration activities in Denmark realised a loss of DKK 1.5 million. This includes DKK 2.2 million reserved for phasing out the Odense Language Centre.

Under the accounting policies applied, the donated funds realised a nil result, as any non-budgetary expenses are covered by collected funds.

Government budget appropriations etc. realised a loss of DKK 0.1 million.

4.3 THE DANISH REFUGEE COUNCIL'S ACTIVITIES

4.3.1 Collected funds

Contributions from foundations and private individuals in Denmark are essential to the overall work of the Refugee Council, especially to the international aid programmes. The collected funds enable the Danish Refugee Council to respond quickly and efficiently when swift aid to refugees is needed in the hotspots around the world, such as Darfur. The funds are also very important for the implementation of international aid projects of long duration, which are co-funded by other donors.

In 2004, the Danish Refugee Council's national door-to-door collection took place on 14 November and the income from the collection was DKK 12.5 million. With expenses at DKK 3.1 million, the result amounted to DKK 9.4 million, which was an improvement of DKK 2.3 million over 2003.

The continuous fund-raising generated total income of DKK 10.5 million, which is an increase of DKK 0.6 million compared to the previous year, in which the income amounted to DKK 9.9 million.

From the collected funds, contributions have been made to international projects in among other places Darfur, Chechnya, Afghanistan, Iraq and the Balkans.

A total amount of DKK 18 million has been used in 2004 against DKK 22 million in 2003. Of these DKK 10.3 million has gone to international refugee work. The rest, including pool and lottery funds, has been utilised for activities in Denmark.

4.3.2 Own funds

Integration work in Denmark

The main tasks of the integration work are Danish language courses, integration assignments for the municipalities and the interpretation service. Furthermore a number of integration projects have been carried out with grants from the Eu-

ropean Social Fund or funded by other donors. The Danish language education was the main activity totalling 67%. Of all integration activities, other integration tasks amounted to approximately 20% and the interpretation service to 13%. This distribution is unchanged compared to 2003.

In 2004, the Danish Refugee Council has carried out integration tasks operating from its district offices located in Copenhagen, Roskilde and Randers and the language centres in Odense, Kolding and Ringsted.

Total revenue from the integration activities decreased by DKK 15 million, although compared to 2003 the result was improved. The profit for the year was DKK 0.7 million against a loss of DKK 3.9 million in 2003. The decrease in activities should be seen in the light of the still decreasing number of refugees received in Denmark.

Danish language courses at the three language centres amounted to a total of 702,878 student lessons in 2004 against 923,003 in 2003. This is a decrease of 23.2%. Odense language centre provided 55% of the lessons; Kolding provided 33% and Ringsted 12%.

Besides the Danish language courses, supplementary education has been provided for students with special needs, and funded integration project work has been carried out.

As at 1 January 2004, the terms of payment of Danish courses were changed from payment per lesson to module payment under the so-called taximeter system (payment per passed module test). Some students need more than the recommended number of lessons to pass the module tests.

At 1 January 2005, the language centre in Herning was taken over by the Danish Refugee Council.

The language centre in Odense will be closed at 31 July 2005, as the municipality of Odense following a tender has chosen to provide Danish courses under different auspices.

A lower level of activity is expected in 2005 for the Danish language courses.

Integration work for the municipalities includes activities aimed at supporting vulnerable refugees (psychosocial tasks) and promoting the integration of refugees into the labour market.

The psychosocial work represents an increasing amount of the integration work. The psychosocial work concerns traumatised refugees, disabled refugees, socially exposed refugee families, vulnerable children and young people and unaccompanied refugee children. The municipalities are offered services to assist refugees in their homes through support programmes for individuals or families with psychosocial problems. In 2004, the Danish Refugee Council had 35 such support contracts.

In June 2004 the Activity Centre for refugees with trauma was established in Herlev. The aim of the centre is to break the vicious circle which is the reality of life for many traumatised refugees. The centre was established with funds from the Ministry of Integration. The operating costs are to be covered by sale of services to the municipalities.

4. MANAGEMENT'S REVIEW 2004

At the end June 2004, the last home for unaccompanied refugee children run by The Danish Refugee Council at Gersonsvej was closed.

Promoting the *integration of refugees into the labour market* includes qualification assessment for young people and grown-ups, special training for individuals with a higher education, job training, courses in job application techniques, contact with enterprises etc.

The Ethnic Job Centre, established in autumn 2003, has provided courses in preparing CVs and in job application techniques and arranged jobs according to contracts with municipalities. In co-operation with local enterprises, it has provided job training and created job activation places.

Funds from The European Social Fund and other donors have made it possible to test new ways of promoting refugees and immigrants into the education system and the labour market. Among the more general integration projects, "Parent training" courses are aimed at building up parents' abilities to support their children growing up in Denmark.

The Psychosocial Unit has continued to provide advice, courses and guidance on psychosocial issues. The grant from the Ministry of Integration runs from 2002 to the end of 2005.

With revenue of DKK 11.4 million, *the interpretation service* amounts to 13% of the total revenue of the integration activities in 2004. More than 26,000 hours in 60 different languages were sold by the Refugee Council's Interpretation Service in 2004 (against 34,000 in 2003). The Danish Refugee Council has approximately 700 interpreters connected to the interpretation service, representing 65 languages.

4.3.3 Donated funds

International project aid

The Danish Refugee Council's international activities provide humanitarian aid and contribute to protecting and establishing viable solutions for refugees and internally displaced persons. A total of DKK 287 million was used for this in 2004. This was DKK 11 million more than the revenue budgeted for 2004 and DKK 26 million more than the revenue of 2003.

At the end of the year, the net liability amounted to DKK 56.7 million. This reflects the fact that the Refugee Council has received funds for activities which continue into 2005 and explains the increase in cash funds. At the end of 2003 the net liability amounted to DKK 35.5 million. A total amount of DKK 3 million of unused funds was returned in connection with the completion of projects in 2004.

In 2004, the major donors were the Danish Ministry of Foreign Affairs (including DANIDA) with DKK 116 million, EU with a total of DKK 86 million and UNHCR with DKK 24 million. The Danish Refugee Council is the Danish partner of UNHCR. UNHCR holds the international protection

mandate. On this basis the Danish Refugee Council co-operates closely with UNHCR – both with the international protection work and concerning asylum topics. The co-operation with other UN institutions such as World Food Programme (WFP) was also developed in 2004. In 2004, the strategy has remained to widen the group of institutional donors. Other donors in 2004 were countries such as the Netherlands, Canada, Sweden, Switzerland, Norway, the United Kingdom and the USA which donated a total of DKK 61 million. In addition, the Danish Refugee Council has granted DKK 10.3 million of collected funds through the Executive Committee's allocation from own funds to international project assistance. In 2004, funds were also obtained from other public and private donors as well as private enterprises.

New activities were initiated in Africa, Asia (Sri Lanka, Afghanistan, Pakistan, Indonesia/the Moluccan Islands) and the Middle East in 2004 while activities were continued in Europe (the Balkans, Russia, Caucasus), Central Asia (Tajikistan, Uzbekistan, Kyrgyzstan), Africa (Angola, Liberia, Uganda, Somaliland) and the Middle East (where activities in Iraq were continued). The Danish Refugee Council remains a member of PCS (Project Counselling Service) which operates in Latin America, but has decided to leave the board of PCS in 2005.

The projects in North Caucasus remained one of the Refugee Council's main international activities in 2004. The aid is mainly relief to people who are internally displaced as a result of the conflict in Chechnya. Approximately 250,000 people benefit from the activities in Chechnya, receiving food and shelter.

In the Balkans, the Refugee Council continues the implementation of the reconstruction activities, support to return to Kosovo and local capacity building. In building up contacts to EAR (European Agency for Reconstruction) the Danish Refugee Council has succeeded in extending the co-operation with EU in the Balkans.

Toward the end of 2004, years of efforts to develop a comprehensive regional approach paid off with an agreement with the Ministry of Foreign Affairs on initiating activities of this kind in Africa. On this basis, the Danish Refugee Council was able to start preparations for activities for a comprehensive regional approach in Kenya, Uganda, Puntland (Somalia) and Southern Sudan. Activities will be initiated in 2005. A focused campaign aimed at donors such as WFP and UNCHR made it possible for the Danish Refugee Council to initiate operations in Darfur in 2004 using collected funds.

The programmes in Somaliland, Iraq, Afghanistan, Liberia and North Caucasus still present special challenges in terms of security. Killings, kidnapping and politically or religiously motivated acts of violence still require special security measures.

4. MANAGEMENT'S REVIEW 2004

In Asia the Danish Refugee Council was able to swiftly mobilise aid in Sri Lanka when the Tsunami hit South East Asia on 26 December. The assistance was set up on the basis of the Danish Refugee Council's presence in Sri Lanka and extraordinarily quick special funding from the Ministry of Foreign Affairs. Other activities in Asia (Afghanistan, Indonesia) were continued in 2004.

In co-operation with the Ministry of Foreign Affairs and the Ministry of Defence, the Danish Refugee Council has in 2004 participated in a project aimed at sorting out the relations between the activities of civilian and military organisations. This also concerns security and how to cope as a NGO with situations where there is a military presence.

The international projects were carried out by 60 expatriate staff members along with approximately 2,500 local staff members in co-operation with local authorities and NGOs. 32 staff members at the Copenhagen head office of the Danish Refugee Council were assigned to this work.

A number of international projects are carried out in co-operation with member organisations of the Danish Refugee Council such as the Danish Association for International Co-operation, Danish People's Aid and ADRA-Denmark. The Refugee Council also co-operates with other international NGOs such as the Norwegian Refugee Council and the International Rescue Committee.

In 2004, The Emergency Roster has been activated especially in connection with Darfur and the catastrophe in South East Asia.

In 2005, further activities are expected in Africa, including Darfur, Sudan and Liberia. Also, in Southern Caucasus and in the Balkans new activities are expected in 2005.

Demining

Danish Demining Group's members are Danish People's Aid, Caritas Denmark, UNICEF Denmark and the Danish Refugee Council.

The work of Danish Demining Group comprises demining and removal of unexploded ordnance, marking, mine risk education, mapping of mine problems and other humanitarian assignments related to this work.

Activities have increased by 9% compared to 2003. The level of activity in Somaliland and Afghanistan was maintained. This is also the case for the mine risk education programme in Ingushetia and Chechnya, while the demining programmes in Sri Lanka and Iraq have been extended.

The major donors are Danida (60%), the UN (17%), SIDA (14%) and the EU/ECHO (6%).

Revenue for 2004 was DKK 57 million against DKK 53 million in 2003. Revenue of DKK 77 million had been budgeted for the year 2004. A net loss of DKK 1.1 million was

realised in 2004. This is primarily due to the lower revenue compared to the budget.

Danish Demining Group is still dependent on financial support from the Danish Refugee Council. In 2004, the Danish Refugee Council has donated DKK 1.6 million to specific project activities and furthermore made reservations to cover underfinanced activities. Total funding from the Danish Refugee Council thus amounts to DKK 2.7 million in 2004.

In 2005, an increase in activities is expected. Particularly the programmes in Iraq, Sri Lanka and possibly Afghanistan are expected to increase considerably.

4.3.4 Government budget appropriations etc.

The work financed directly through the Government Budget appropriations constituted approximately 7% of the Danish Refugee Council's total activities.

An appropriation (the secretariat appropriation) is made for the maintenance of a basic structure and a contingency that enables the Refugee Council to assume a co-ordinating role in national and international asylum work, information assignments and the development of international projects. In 2004, this appropriation amounted to DKK 4.2 million.

In addition, the Danish Refugee Council's main assignments in relation to these government appropriations in 2004 covered the following main objectives:

- Organisation of volunteer work to encourage the integration of refugees in local communities, including cultural and information activities;
- documentation work and counselling;
- participation in quota work, mission planning, etc.;
- participation in the processing of cases regarding the manifestly unfounded procedure in connection with the Danish Immigration Service's processing of these cases;
- advice for refugees wishing to return to their countries of origin (repatriation) etc.

An annual report has been prepared on activities funded by Government Budget appropriations pursuant to government guidelines. The performance objectives described in the performance contract entered into with the Danish Ministry of Refugee, Immigration and Integration Affairs in February 2004 are included in this report. The work in relation to the manifestly unfounded procedure is included in the framework agreement with the Danish Immigration Service. Reporting, including memoranda, reports, indexes of ideas and other documents, which was introduced in 2002 has now become a well established model, and in addition to the annual report a comprehensive content report is submitted to the Ministry as early as November.

4. MANAGEMENT'S REVIEW 20034

Overall, 98 percent of the objectives were fulfilled, compared to 87% in 2003. This result is regarded as exceptionally good. 19 objectives had been set up in 2004. New in 2004 was a performance objective for the General Secretariat. This is continued for 2005.

Government Budget appropriations in 2004 totalled DKK 29.6 million. In addition to this are funds from municipalities of DKK 0.7 million and payment of the phasing out work of the Government Integration Programme of DKK 0.1 million; adding up to a total of DKK 30.4 million.

Volunteer work

In 2004, the Danish Refugee Council prepared a comprehensive documentation of the volunteer work which records the extent of the volunteer workers' participation in selected activities. The data shows considerable commitment and also reveals that volunteers to a great extent are working on the activities that are high on the agenda. In 2004, particular focus was given to activities directly and indirectly directed at the labour market and special efforts for the benefit of children and youngsters, including special activities to assist with home work. Efforts for the benefit of elderly people and traumatised refugees and support to the refugee groups' own networks were continued. Newly accepted refugees used to be the primary target group, whereas now activities are aimed more widely at more groups of ethnic minorities.

The activities of volunteers were strengthened. The over 3,000 volunteers put in approximately 1.4 million hours of volunteer work, or more than 700 man-years. The number of volunteer groups was increased by 48, bringing the total number of groups to 193. The number of voluntary counselling centres remained at 7.

As regards information work, in all 23,000 pieces of information and teaching material on refugee issues have been distributed (in 2003: approximately 20,000 pieces). In addition, there have been all the visits to the Danish Refugee Council's website www.flygtning.dk, which was relaunched in September 2004 in a new edition with more focused communication of information.

The co-operation with other organisations, institutions, networks, etc. on volunteer work continues. Partners include the Danish Confederation of Trade Unions, the DanAge Association, treatment centres for traumatised refugees, the secretariat of Danish primary and lower secondary schools and residential schools, the Danish Gymnastics and Sports Associations, Red Cross Youth, The National Innovative Center for General Education, the Danish Centre for Conflict Resolution, The Volunteer Centre in Denmark, The Danish Institute for Human Rights, local associations and municipalities.

Funds to the disadvantaged (*satspuljemidler*), DKK 15 million allocated for each of the years 2005 and 2006, are intended to guarantee the continuation and further development of the Danish Refugee Council's nationwide integration work carried out by volunteers.

Documentation, asylum counselling and quota work

The documentation work was continued in 2004 producing documentation, including background information for case work at the Refugee Board. Profiles of refugee-producing countries and legal reviews were updated and a new profile of Afghanistan was produced. 12 profiles can be seen at the Danish Refugee Council's homepage.

In 2004, the Danish Refugee Council participated in one fact-finding mission which went to Afghanistan.

The counselling for *asylum seekers* at the reception centres Sandholm and Avnstrup is still characterised by a great need for supplementary individual follow-up. 76 counselling meetings were held at the centres in 2004. In addition to this counselling is still offered at the weekly open counselling at the Danish Refugee Council's head quarters in Borgergade.

In *the quota area*, two selection trips were made in 2004, one to Zambia to select refugees from Congo and one to Malaysia/Thailand to select refugees from Myanmar and Indonesia.

New information material aimed at refugees who are settled in Denmark was produced in 2003 and has been evaluated in 2004 in co-operation with representatives from the municipalities. The outcome of this work was good.

The Danish Refugee Council's work in respect of *the manifestly unfounded procedure* is regulated by a framework agreement with the Danish Immigration Service. In 2004 there were 540 cases. The income for 2004 was DKK 2.5 million against DKK 4.2 million in 2003.

Repatriation activities

2004 was the first year of a 3-year contract between the Danish Refugee Council and the Ministry of Integration for repatriation activities in a total amount of DKK 7.3 million. The contract does not specify targets for the individual years, but covers general individual counselling of foreigners in Denmark who wish to repatriate, general information on repatriation and project assistance.

In 2004, the Danish Refugee Council has focused specially on counselling and information.

In 2004, the Danish Refugee Council has provided individual personal counselling to a total of 730 individuals and individual telephone advice to 150 individuals via the Arabic hotline and counselling in Danish and English, and held 31 meetings with representatives of refugee groups and associations. Of these, 267 refugees have returned to their home countries. 54 refugees were supported with reintegration aid.

4. MANAGEMENT'S REVIEW 2004

A number of activities initiated in previous years funded by other donors were continued with counselling from the Danish Refugee Council. These relate to Bosnia & Herzegovina, Iraq, Afghanistan and Somaliland, among others. The special repatriation counselling and information to Afghan refugees funded by DKK 1 million from 2003 was completed in October 2004.

4.4 OUTLOOK

No events of significance to the annual report for 2004 have taken place after the end of 2004 that have not been mentioned in the annual report.

The total budget for 2005 shows activities of DKK 538 million, including DDG.

The Danish Refugee Council's national door-to-door collection in 2005 will take place on 13 November.

In Denmark, the integration work and the language centre activities are both affected by the fact that fewer refugees are received in the country. The combination of activities in the integration work is therefore expected to change.

In the international area, total revenue of approximately DKK 400 million is budgeted, including demining activities amounting to DKK 71 million.

It is expected that work financed by Government budget appropriations will amount to approximately DKK 30 million, or about 5% of the total budget. This includes repatriation activities under the Refugee Council's three-year contract with the ministry.

A performance contract has been made with the Ministry of Refugee, Immigration and Integration Affairs regarding performance targets for 2005. Targets comprise the volunteer and asylum work, including the manifestly unfounded procedure and the secretariat appropriation. The repatriation activities are subject to the conditions described in the contract on the tender of 2003. In January 2005 a framework agreement for 2005 regarding the manifestly unfounded procedure has been entered into. A bill to change the quota work has been put forward. This is expected to reduce the Danish Refugee Council's work in this area.

The overall level of results for 2005 will continue to be affected by developments in the refugee area, nationally as well as internationally, and by the conditions prevailing for the Refugee Council's work. The level of results for 2005 is expected to be the same as for 2004.

4.5 PARTICULAR RISKS

General risks

The Danish Refugee Council's activities are always subject to the special conditions applying to international emergency aid and reconstruction work. The administrative funds allocated in connection with donated funds are restricted to such an extent that it is not possible to cover unforeseen expenses, which inevitably arise in relation to the international activities.

A particular risk is a rapid change in the overall composition of activities, including the total level of activity. This requires flexibility and rapid adjustment and adaptation in relation to contracts, donor terms, personnel and leases.

Similar conditions apply to the work on a national level, which in 2004 again showed a downward trend due to the reduced number of refugees.

Financial risk

Financial risk relates to the following areas:

- 1) Changes in exchange rates,
- 2) Interest rates and leases
- 3) Uncertainty regarding banking and transfer conditions related to international activities.
- 4) Political decisions regarding refugee matters both nationally and internationally.

4.6 HUMAN RESOURCES

The Danish Refugee Council is continuously striving to strengthen and develop qualifications in national and international activities.

International project work

In the international field, the protection element in the planning, implementation and evaluation of the international programmes has been strengthened, and the Refugee Council has gained new knowledge in 2004, among other things by testing humanitarian protection programmes in some of the countries with which the Council co-operates. Methods and practices are developed in co-operation with UNHCR and ALNAP (Active Learning Network for Accountability and Performance in Humanitarian Action). For instance, the partners are seeking to develop training material to be distributed more widely among humanitarian organisations in the longer term.

4. MANAGEMENT'S REVIEW 2004

The Danish Refugee Council's programmes are being evaluated on an ongoing basis, including their effectiveness and the fulfilment of performance targets. In 2004, the Refugee Council was involved in 13 evaluations, some of which continue in 2005.

In 2004, The Danish Refugee Council joined HAPI (Humanitarian Accountability Project International). This means that The Danish Refugee Council will focus more on humanitarian accountability in the years to come. In practice, there will be increased focus on a more systematic inclusion of the Danish Refugee Council's target groups in the international programme work.

In 2004, The Danish Refugee Council also strengthened its emergency capacity. In co-operation with the Norwegian Refugee Council, among others, the Council has produced a Camp Management manual and carried out staff training sessions.

To support the institutional memory, a central resource database (DRC Intranet Resource Database) was developed in 2004, designed to ensure that the employees are able at any time to obtain the necessary knowledge. In 2004, the administrative processes between local offices and employees at the head office were also strengthened.

Before being posted, programme managers are briefed about the Danish Refugee Council's management principles in order to develop a common set of values vis-a-vis local staff.

The emergency roster

A larger grant has enabled the Refugee Council to meet the growing needs of its partners and develop new profiles on the emergency roster. During the year, 35 new persons were included in the emergency roster, most of them Humanitarian Coordinators. At the end of 2004, the emergency roster counted 376 people.

The Danish Refugee Council's emergency roster has been much in demand in 2004. 63 persons were posted through the emergency roster this year, many of them to Sudan and Chad in connection with the crisis in Darfur.

Demining

Danish Demining Group (DDG) possesses a great amount of knowledge and expertise in demining and other clearing of explosive war debris. Safety, professionalism and well-tested routines are important parameters.

DDG is striving to achieve demining with the highest possible socioeconomic effect for the civil populations in the countries where the organisation operates. Demining and ordnance clearing is costly and time consuming, and it is therefore important to ensure careful prioritising. This is done on the basis of incident statistics and economic data.

In each area, the work is carried out according to a local implementation strategy based on international standards. The local organisation of the demining work and the guidelines applied for the individual assignment draws on local experience.

By participating in international demining networks, DDG has a role to play in the development of this area. For example, through its place on the board of Survey Action Centre DDG has influenced the mapping of the global war debris problem. DDG has itself carried out the so-called "Landmine Impact Survey" in Somaliland.

DDG has also participated in a DANIDA working group to set out a future strategy for Danish demining and ordnance clearing support.

International asylum law

The Danish Refugee Council possesses a unique competence in asylum law with knowledge of Danish and international aliens legislation, on the legal positions of refugee-producing countries and the development of a European refugee policy. The Refugee Council's expertise is being exploited internationally in several connections, for example in countries needing training and education on international asylum and refugee law, including fulfilment of the rights and obligations of the Refugee Convention.

The Danish Refugee Council is on the board of the European umbrella organisation ECRE (European Council on Refugees and Exiles), which has some 80 member organisations. ECRE is concerned with European asylum and refugee questions and is seeking to influence EU's policy in this area. The Danish Refugee Council represents the Nordic countries, the Baltic countries and Russia.

In Sri Lanka, the Danish Refugee Council in co-operation with UNHCR and the Danish national police has held a number of training seminars for lawyers, civil servants, airport employees and others in such subjects as the 1951 Refugee Convention, the international principles governing asylum procedures and the police's role toward asylum seekers and refugees.

In the Balkans, The Danish Refugee Council has a coordinating role in municipal co-operation and networking. The aim is to improve the conditions of refugees returning to their countries of origin and internally displaced people. As far as possible, Danish repatriation efforts are coupled with such international reintegration initiatives in the refugees' countries of origin. A network of refugee organisations is supported in developing the role of spokesman for improving the rights of refugees and internally displaced persons through legislation.

4. MANAGEMENT'S REVIEW 2004

In Central Asia, the Refugee Council is working on developing a network of regional coaches from the authorities and the civil society. The aim is for these coaches to be able to improve the protection of asylum seekers and refugees in the region by spreading knowledge of rights and obligations to the relevant players. In co-operation with the UNHCR, the Danish Refugee Council has created a basis that allows for an employee of the Danish aliens authorities to be lent out to aliens authorities in Central Asia. The Danish Refugee Council acts as advisor to this employee, whose role is to provide concrete support in the development of asylum case processing in the region which meets international standards.

Integration work

In Denmark, The Danish Refugee Council has developed its special competences further to generally improve the level of qualifications in the integration area.

By exploring new ways, the Refugee Council has strengthened the work of helping refugees and immigrants to support themselves through assessing qualifications, starting training courses and entering into the labour market. Examples of this are "Pattern Breaking", aiming at Arabic and Somali-speaking refugee and immigrant women with little or no schooling; "Network-based Careerbuilding" for unemployed refugees and immigrants with or without special educational backgrounds or relevant work experience; "Early labour market integration of refugees/immigrants", "Integration without roundabouts – the direct route to jobs for refugees/immigrants" with dual focus on assessing the qualifications of refugees/immigrants and developing the participating enterprises' preparedness for integration in their workplace.

Integration assignments for municipalities are combined with the Danish Refugee Council's integration work carried out by volunteers. The Refugee Council has succeeded in involving a large number of volunteers in activities directly or indirectly related to the labour market, such as workplace visits and support in learning Danish, establishment of local networks etc. Special activities aimed at young people create contacts between youngsters with a Danish background and youngsters with different ethnic backgrounds.

In the *psychosocial field*, the Danish Refugee Council has also further developed its expertise. In addition to the Psychosocial Unit, established in 2002, which provides advice, courses and guidance on psychosocial issues, the Danish Refugee Council in 2004 set up an activity centre for traumatised refugees. The special expertise of the Refugee Council is also reflected in the increasing number of psychosocial assignments for the municipalities.

Since its establishment, *the Interpreter Service* of the Danish Refugee Council has focused on ensuring qualified interpretation through the preparation of testing programmes for interpreters and through offering various interpreter training courses. In 2004, a "qualification upgrade course for freelance interpreters" in legal and psychosocial interpretation was launched, developed in co-operation with, among others, institutions with particular interpretation needs and subsidised by EU funds.

The Interpreter Service of the Danish Refugee Council is a national service and it is important for it to remain a serious provider of qualified, nationwide interpretation. The Danish Refugee Council has been successful in setting up collaboration with several major customers and has proven efficient in managing interpretation services in this context.

5. ACCOUNTING POLICIES

5.1 GENERAL

The annual report of the Danish Refugee Council for 2004 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act. In certain respects the accounting information exceeds those required for class B enterprises.

The accounting policies are consistent with those applied in 2003.

Like last year, the results, assets and liabilities of DDG for 2004 are consolidated in the annual report of the Danish Refugee Council as follows: The net result is presented as a separate item in the income statement with reference to a note disclosing to the statement of income and expenses. In the balance sheet, DDG's balance sheet items have been aggregated with the corresponding items of the Danish Refugee Council.

Terms and classifications have been adjusted to the Danish Financial Statements Act, taking into account the special structure of the enterprise.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement.

5.2 INCOME STATEMENT

Collected funds are recognised as income when received and recognised as expenses when used. Collected funds which the Executive Committee has earmarked as allocations for specific purposes are included in the restricted equity until used.

Costs concerning national door-to-door collections are recognised in the collection year.

Consulting services and interpretation hours are recognised when invoiced. School-related grants are recognised as earned. The result of these funds is recognised in equity as "own funds".

Donated funds are recognised as income when used. Any deficit on projects will be covered by an allocation from the Refugee Council's own funds and be included as an expense in collected funds. Income and expenses for the year on international project assistance will, consequently, be equal in size.

Costs incurred in generating the revenue for the year are recognised in the income statement.

Financial items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities. Financial items are included in the specific main categories of the income statement.

5.3 BALANCE SHEET

Property, plant and equipment

Leasehold improvements, land and buildings, fixtures and fittings and equipment are measured at cost less accumulated depreciation. The land is not depreciated. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided according to the straight-line method, based on the following expected useful lives:

• Cars, international dept.	2 years
• Leasehold improvements	5 years
• Fixtures and fittings	5 years
• IT	3 years
• Properties	50 years

Depreciation is included in the income statement in own funds and donated funds, respectively.

Minor acquisitions with a cost of less than DKK 10,800 and the majority of assets for international projects are written off in the year of acquisition.

Property, plant and equipment are written down to their recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement.

5. ACCOUNTING POLICIES

Publications and books

Inventories are measured at the estimated value of materials expected to be sold the following year. Write-down is made for obsolescence. The inventory of new books acquired during the year for language school teaching is measured at cost.

Donated funds

Donated funds received before the time of use (prepayments) are stated in the balance sheet as payables. Donated funds which have not been received at the time of use are stated as a receivable.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities

Listed securities recognised as current assets are measured at fair value at the balance sheet date. Other securities are measured at amortised cost.

Cash at bank and in hand

Cash at bank and in hand comprise cash and cash deposits etc., nationally and internationally.

Provisions

Provisions comprise anticipated costs in connection with winding up activities. Provisions are recognised when, as a result of past events, the enterprise has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

INCOME STATEMENT

INCOME STATEMENT FOR THE FINANCIAL YEAR 1 JANUARY - 31 DECEMBER 2004		
Note	2004 (DKK'000)	2003 (DKK'000)
1 Collected funds		
Collected funds - income	23,050	19,871
Collected funds used	17,948	22,305
Result of collected funds	5,102	-2,434
2 Own funds		
Own funds - income	89,775	104,883
Own funds used	89,114	108,747
Result of own funds	661	-3,864
3 Donated funds		
Donated funds - income	297,962	269,674
Donated funds used	297,962	269,674
Result of donated funds	0	0
4 Result, Danish Demining Group	-1,089	-1,273
5 Activities funded by Government Budget appropriations etc.		
Activities funded by Government Budget appropriations etc.- income	30,409	33,079
Activities funded by Government Budget appropriations etc. used	30,480	32,818
Result of Government Budget appropriations etc.	-71	261
RESULT FOR THE YEAR	4,603	-7,310
Total income	441,196	427,507
Total costs	-435,504	-433,544
Result, Danish Demining Group	-1,089	-1,273
Result for the year	4,603	-7,310

The result for the year is transferred to/covered by equity as follows

Total collected funds	4,013	-3,708
Total own funds	661	-3,863
Total Government Budget appropriations etc.	-71	261
Total treatment of result	4,603	-7,310

BALANCE SHEET – ASSETS

BALANCE SHEET AT 31 DECEMBER 2004		
Note	2004 <u>(DKK'000)</u>	2003 <u>(DKK'000)</u>
ASSETS		
6	Property, plant and equipment	
	Leasehold improvements	0
	Land and buildings	7,110
	Fixtures and fittings and equipment	489
	Total property, plant and equipment	7,599
	Total fixed assets	7,599
	Current assets	
	Publications and books (inventories)	65
	Receivables	
3	International project aid	39,213
3	Other project aid	2,611
	Trade receivables	4,888
	Other receivables	18,376
	Prepayments	1,960
	Total receivables	67,048
12	Securities	5,925
7	Cash at bank and in hand	109,275
	Total current assets	182,313
	TOTAL ASSETS	189,912
		132,896

BALANCE SHEET – EQUITY AND LIABILITIES

BALANCE SHEET AT 31 DECEMBER 2004		
Note	<u>2004</u> (DKK'000)	<u>2003</u> (DKK'000)
EQUITY AND LIABILITIES		
Equity		
	8,623	4,610
	16,558	15,897
	617	688
8	<u>25,798</u>	<u>21,195</u>
	<u>2,456</u>	<u>0</u>
Long-term liabilities other than provisions		
9	<u>4,733</u>	<u>5,317</u>
Short-term liabilities other than provisions		
	11,073	8,346
3	121,676	74,281
3	3,071	3,254
9	500	277
10	16,898	18,264
	3,707	1,962
	<u>156,925</u>	<u>106,384</u>
	<u>189,912</u>	<u>132,896</u>
TOTAL EQUITY AND LIABILITIES		

Note 11: Financial items

Note 12: Securities

Note 13: Contingent liabilities

Note 14: Wages and salaries

Note 15: Related parties

NOTES

NOTES

1	Collected funds	2004	2003
		(DKK'000)	(DKK'000)
	National door-to-door collection	12,542	9,940
	Pool and lottery funds	1,962	1,629
	Collected funds, special purposes, other areas	1,569	2,737
	Private and regular contributions*	6,019	5,565
	Collected funds, general	387	
	New activities	571	
	Total income	23,050	19,871
	Collected funds used		
	Costs of collection, information and recruitment of volunteer workers	3,101	2,824
	From national collection for international project activities	8,216	10,686
	Reversed allocation from DRC own funds from previous years	11	-46
	Costs re. special purposes	237	493
	For special purposes	2,515	3,110
	Private and regular contributions*	1,626	1,863
	Collected funds, general	303	
	New activities	450	
	Information, development and campaign costs	1,489	3,375
	Collected funds used	17,948	22,305
	Result of collected funds	5,102	-2,434
	* In 2004, general refugee purposes have been split up, and the 2004 figures are therefore not immediately comparable to those for 2003		
2	Own funds		
	Integration, language centres not included		
	Revenue, interpretation etc.	11,432	12,775
	Revenue, sale of other consulting services	10,581	11,671
	Total revenue	22,013	24,446
	Wages and salaries	14,647	16,458
	Other external costs	8,861	10,345
	Total expenses	23,508	26,803
	Result	-1,495	-2,357

NOTES

Language centre activities	2004	2003
	(DKK'000)	(DKK'000)
Municipal grants	58,778	68,979
Project grants	3,783	2,306
Teaching services sold etc.	3,145	6,387
Total primary income	65,706	77,672
Wages and salaries	46,769	62,475
Other external costs	15,536	17,187
Depreciation	254	681
Total expenses	62,559	80,343
Result of ordinary activities	3,147	-2,671
Non-recurring expense	2,246	
Result	901	-2,671
 Other own funds		
Membership fees from member organisations	295	285
Glamsbjerg, leasehold income	648	620
Other	1,113	1,860
Total income	2,056	2,765
Property expenses	394	599
Other	407	1,002
Total expenses	801	1,601
 Result	1,255	1,164
Own funds - total income	89,775	104,883
Own funds - total expenses	89,114	108,747
Own funds - Result	661	-3,864

NOTES

3 Donated funds	2004	2003
	(DKK'000)	(DKK'000)
International projects		
Balance at 1 January	35,504	1,517
Grants received for international project aid	311,298	298,154
EU grants used	85,998	91,407
DANIDA grants used	87,945	84,168
NAP grants used	28,279	17,836
UNHCR grants used	24,231	17,366
Other grants used	60,717	49,731
Funds returned re. completed projects	2,976	3,658
Balance at 31 December, DRC	56,656	35,505
Balance at 31 December, DRC is distributed on		
Receivables	29,683	27,314
Payables, grants not used	86,339	62,819
Balance at 31 December, DDG is distributed on		
Receivables	9,530	11,006
Payables, grants not used	35,337	11,462
Balance at 31 December	25,807	456
Other project grants and pool funds		
Balance at 1 January	-235	-1,885
Grants, projects and pool funds	11,487	10,816
Used, projects and pool funds	10,792	9,166
Balance at 31 December	460	-235
Balance at 31 December is distributed in the balance sheet as:		
Receivables	2,611	3,490
Payables, grants not used	3,071	3,254
Donated funds - income	297,962	269,674
Donated funds - expenses	297,962	269,674

NOTES

4 Danish Demining Group	2004 (DKK'000)	2003 (DKK'000)
Own funds	160	353
Donated funds	57,461	52,641
Total income	57,621	52,994
Donated funds used	57,461	52,641
Other costs	1,249	1,626
Total expenses	58,710	54,267
Result	-1,089	-1,273
5 Activities funded by Government Budget appropriations etc.		
Secretariat work etc.		
Secretariat work, General Secretariat and international department	3,300	3,550
Secretariat work, other departments.	900	1,150
Total income	4,200	4,700
General Secretariat, international legal protection and information re. international refugee work	4,098	4,623
International asylum work	102	77
Total expenses	4,200	4,700
Result	0	0
Volunteer and information work		
Grants for volunteer and information work	15,600	15,300
Income from local authorities, own contributions etc.	647	724
Total income	16,247	16,024
Wages and salaries, incl. holiday allowance	8,135	7,706
Other external costs	8,182	8,408
Total expenses	16,317	16,114
Result	-70	-90

NOTES

Asylum work	2004	2003
	(DKK'000)	(DKK'000)
Ministry of Integration grant for asylum counselling, documentation etc.	2,600	2,500
Ministry of Integration grant for quota work, travel planning etc.	2,000	2,000
Danish Immigration Service grant for the manifestly unfounded procedure	2,529	4,230
Total income	7,129	8,730
Wages and salaries, incl. holiday allowance	4,437	5,401
Other external costs	2,693	2,987
Total expenses	7,130	8,388
Result	-1	342
 Repatriation work		
Repatriation grant, Ministry of Integration	2,700	2,900
Total income	2,700	2,900
Wages and salaries, incl. holiday allowance	1,419	1,861
Other external costs	1,281	1,030
Total expenses	2,700	2,891
Result	0	9
 Phasing out of integration programme		
Grant for phasing out of integration programme	133	725
Total income	133	725
Termination of lease		163
Filing and transfer		87
Other matters	133	475
Total costs	133	725
Result	0	0
 Government Budget appropriations etc. - income	30,409	33,079
Government Budget appropriations etc. - expenses	30,480	32,818
Result	-71	261

NOTES

6 Property, plant and equipment

	Leasehold improvements (DKK'000)	Land and buildings (DKK'000)	Cars (DKK'000)	Fixtures, fittings and IT (DKK'000)
Cost				
Balance at 1 January 2004	450	7,594	3,181	7,610
Additions	0	0	0	142
Disposals	0	0	62	1,474
Balance at 31 December	<u>450</u>	<u>7,594</u>	<u>3,119</u>	<u>6,278</u>
Depreciation				
Balance at 1 January 2004	450	335	2,995	6,573
Depreciation for the year	0	149	145	719
Depreciation on assets sold	0	0	51	1,473
Balance at 31 December	<u>450</u>	<u>484</u>	<u>3,089</u>	<u>5,819</u>
Carrying amount at 31 December 2004	<u>0</u>	<u>7,110</u>	<u>30</u>	<u>459</u>

The official property valuation of the property with a carrying amount of DKK 7,480 thousand at 1 October 2004 is DKK 3,650 thousand. The property is mortgaged, cf. Note 9

7 Cash at bank and in hand

	2004 (DKK'000)	2003 (DKK'000)
Project offices abroad	23,368	29,187
Language centres	9,758	4,354
Danish Refugee Council, other	76,149	30,192
Total cash at bank and in hand	<u>109,275</u>	<u>63,733</u>

8 Equity

	Balance 1 January (DKK'000)	Transferred result for the year (DKK'000)	Balance 31 December (DKK'000)
Collected funds	4,610	4,013	8,623
Own funds	15,897	661	16,558
Government Budget appropriations etc.	688	-71	617
Total equity	<u>21,195</u>	<u>4,603</u>	<u>25,798</u>

NOTES

9 Mortgages	2004	
	(DKK'000)	
Long-term liability		4,733
Short-term liability		500
Total		5,233
Market value		5,233
Nominal value		5,233
Amount of the long-term liability falling due in more than five years from year end:		2,117
The loan is a variable-interest EURO loan with fixed instalments		
10 Other payables	2004	2003
	(DKK'000)	(DKK'000)
Interest payable, DANIDA	505	538
Holiday allowances	13,617	12,747
Other	2,776	2,003
Total	16,898	15,288
11 Financial items		
Banks	1,048	641
Securities	36	21
Other financial income	35	
Total financial income	1,119	662
Banks	31	294
Mortgages	143	345
Interest, projects	304	217
Exchange loss	702	127
Other	1,140	19
Total financial expenses	2,320	1,002
Net financial items	-1,201	-340

NOTES

12 Securities

Listed bonds	5,023
Other securities	902
Total	<u>5,925</u>

13 Contingent liabilities

Operating leases for copiers, faxes, drink dispensers and alarm and telephone systems expiring in 2005-2009 amount to DKK 2.7 million over the lease period. Contingent rent liabilities (usual leases) amount to DKK 3.8 million, primarily regarding the language centre area.

A claim has been made against DRC in Kosovo re. the use of a plot of land. DRC's payments ceased at UNHCR's request and confirmation from the authorities that the plot could be used free of charge. It is therefore assessed that the Danish Refugee Council is not subject to financial liability.

14 Wage and salary costs, excluding DDG	2004	2003
	(DKK'000)	(DKK'000)
Wages and salaries	79,535	82,179
Expat supplements	3,964	4,358
Wages, local project staff abroad	35,892	34,267
Salaries, language centres	46,850	61,643
Adjustment of holiday allowance reserve	-235	34
Total wages and salaries	<u>166,006</u>	<u>182,481</u>
Pensions	5,882	6,730
Social security costs	511	709
Total	<u>172,399</u>	<u>189,920</u>
The average number of employees in Denmark and expats is	352	398
The average number of local staff abroad is	2,500	2,500

The number of DDG employees is 27 expats and HQ employees and 1,200 local staff abroad

15 Related parties

The Danish Refugee Council is a confederation of a number of non-partisan, voluntary, nation-wide, humanitarian and international organisations.

Related parties are the Executive Committee, the organisational Management and Danish Demining Group.

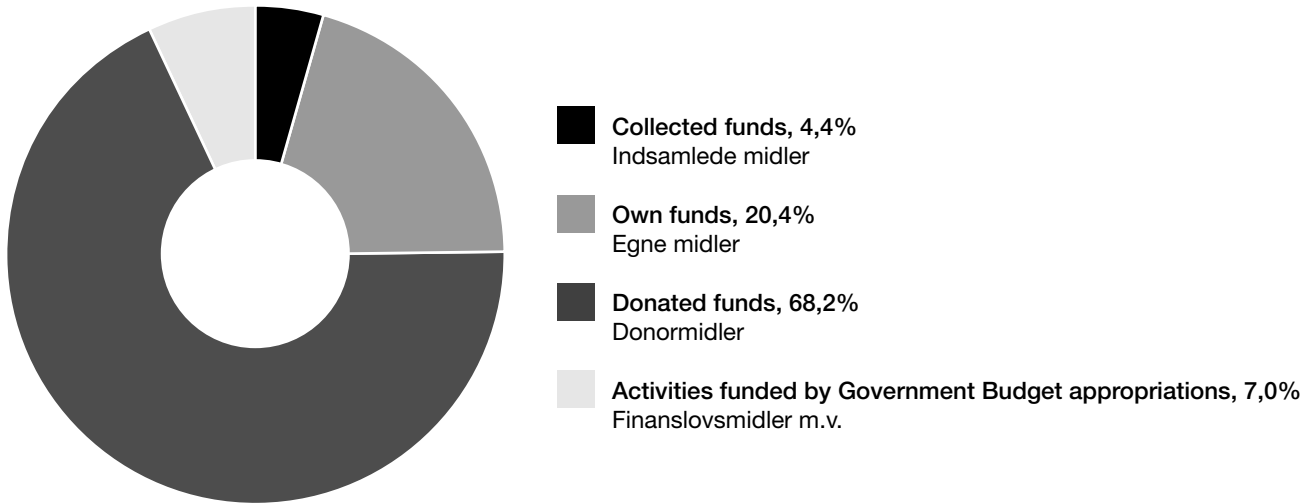
Transactions with the above comprise usual organisational Management remuneration.

The Executive Committee receives no remuneration.

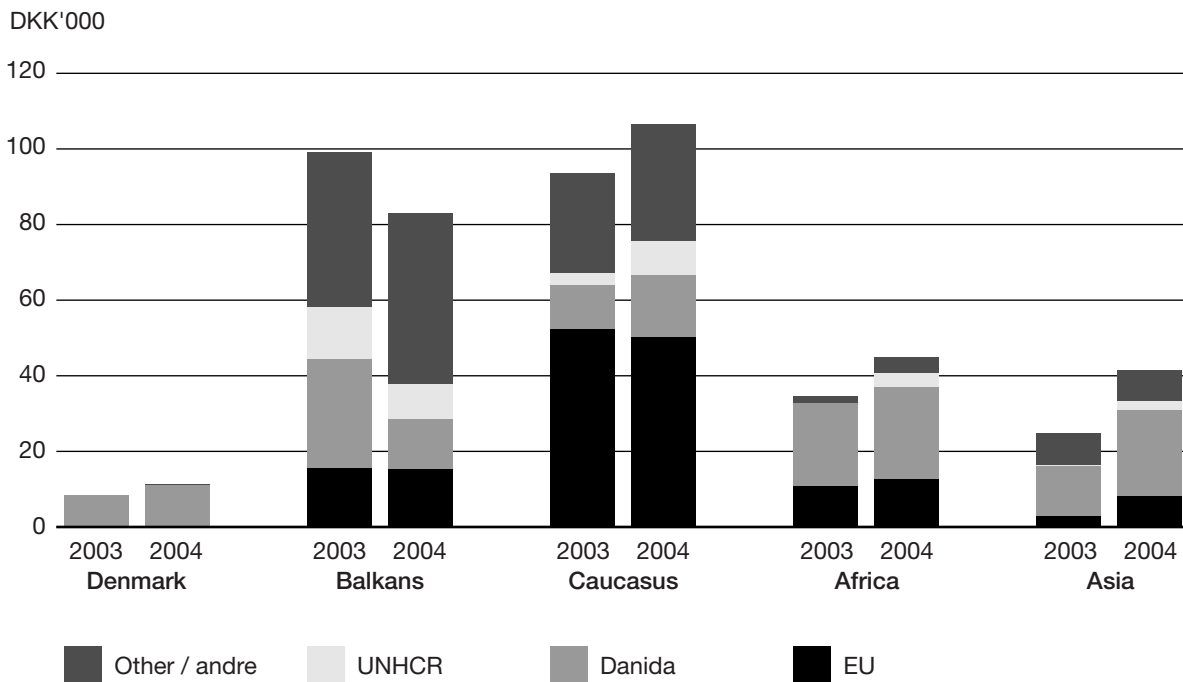
Transactions with Danish Demining Group comprises usual administrative service fees.

DRC ACTIVITIES / DANSK FLYGTNINGEHJÆLPS AKTIVITETER

TOTAL ACTIVITIES DRC, 2004 SAMLEDE AKTIVITETER DFH, 2004



DONATED FUNDS, INTERNATIONAL PROJECTS 2003-2004 DONORMIDLER, INTERNATIONALE PROJEKTER 2003-2004



DRC OPERATES HERE / HER ARBEJDER DANSK FLYGTNINGEHJÆLP



GIV ET BIDRAG TIL DANSK FLYGTNINGEHJÆLP

Se hvordan på Dansk Flygtningehjælps hjemmeside: www.flygtning.dk